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BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
Chairman

WILLIAM A. MUNDELL
Commissioner

JEFF HATCH-MILLER
Commissioner

KRISTIN K. MAYES
Commissioner

GARY PIERCE
Commissioner

Arizona Corporation Commission

DOCKETED

JUL 31 2007

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
GOODMAN WATER COMPANY FOR
REVIEW AND APPROVAL OF PROPOSED
HOOK-UP FEE TARIFF

DOCKET NO. W-02500A-07-0281

APPLICATION

In compliance with Decision No. 69404, dated April 16, 2007, Goodman Water Company ("Goodman") submits for Staff's review this proposed Hook-Up Fee Tariff. The proposed Hook-Up Fee Tariff and related hook-up fees would be applicable to new customer connections to Goodman's system. The capital expenditures related to the proposed hook-up fees pertain to Goodman's construction requirements for the 2008-2011 time period. The anticipated new customer growth during this period is 724 new customer connections. The off-site facilities in question include a well #3 and related equipment and engineering. The proportion of anticipated construction costs proposed to be funded by the proposed hook-up fees is 40%.

Attached to this Application as Exhibit "A" is a schedule setting forth the assumptions and estimated future capital expenditures upon which the proposed hook-up fees are based. Exhibit

1 "A" also sets forth by meter size the amount of proposed hook-up fee applicable to each meter
2 size, as well as the or percentage of anticipated new growth each meter size represents. Attached
3 to this Application as Exhibit "B" is a copy of a proposed Hook-Up Fee Tariff.

4 Goodman Water Company requests that the Commission review the proposed Hook-Up
5 Fee Tariff and hook-up fees which are the subject of this Application and issue an order approving
6 the tariff and related hook-up fees.

7
8 RESPECTFULLY SUBMITTED this 31st day of July, 2007.

9
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11 By: 

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20 Attorneys for Goodman Water Company

21 ORIGINAL and thirteen (13)
22 copies of the foregoing filed this
23 31st day of July, 2007, with:

24 Arizona Corporation Commission
25 Docket Control – Utilities Division
26 1200 W. Washington Street
Phoenix, Arizona 85007

1 COPY of the foregoing hand-delivered
2 this 31st day of July, 2007, to:

3 Jane L. Rodda, Administrative Law Judge
4 Hearing Division
5 Arizona Corporation Commission
6 1200 W. Washington Street
7 Phoenix, Arizona 85007

8 Christopher C. Kempley, Chief Counsel
9 Legal Division
10 Arizona Corporation Commission
11 1200 W. Washington Street
12 Phoenix, Arizona 85007

13 Ernest G. Johnson, Director
14 Utilities Division
15 Arizona Corporation Commission
16 1200 W. Washington Street
17 Phoenix, Arizona 85007

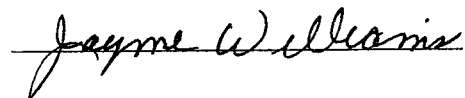
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EXHIBIT A

Goodman Water Company
Computation of Off-Site Facilities Hook-up Fee (HUF)

Exhibit A

Line
No.

1		
2	<u>Off-Site Capital Expenditure Requirements 2008-2011</u>	
3	Well # 3 and related equipment including engineering and contingency	\$ 940,000
4		
5		
6		
7	Total [1]	<u>\$ 940,000</u>

8		
9	Anticipated Customer Growth ¹	<u>724</u>

Computation of Equivalent 5/8 Inch Meters

	Portion of	Projected	Meter	Equivalent
<u>Meter Size</u>	<u>Anticipated Growth</u>	<u>Growth</u>	<u>Flow Factor</u>	<u>5/8 Inch Meters</u>
5/8 Inch	98.90%	716	1.0	716
3/4 Inch	0.00%		1.5	-
1 Inch	0.55%	4	2.5	10
1 1/2 Inch	0.00%		5.0	-
2 Inch	0.55%	4	8.0	32
3 inch	0.00%		16.0	-
4 Inch	0.00%		25.0	-
6 Inch	0.00%		30.0	-
	<u>100.00%</u>	<u>724</u>		<u>758</u>
24	Total Equivalent 5/8 Inch Meters [2]			758

26	Construction Costs Expected to be Funded by HUF (Percent times [1] equals [3])	40%	\$ 376,000
28	HUF for Equivalent 5/8 Inch Metered Customer (rounded down) ([3] divided by [2] equals [4])		\$ 500

Proposed Off-site Facilities Hook-up Fees by Meter Size

<u>Meter Size</u>	
5/8 Inch	\$ 500 [4]
3/4 Inch	\$ 750 Scaled on 5/8 meter flow
1 Inch	\$ 1,250 Scaled on 5/8 meter flow
1 1/2 Inch	\$ 2,500 Scaled on 5/8 meter flow
2 Inch	\$ 4,000 Scaled on 5/8 meter flow
3 inch	\$ 8,000 Scaled on 5/8 meter flow
4 Inch	\$ 12,500 Scaled on 5/8 meter flow
6 Inch	\$ 15,000 Scaled on 5/8 meter flow

¹ Buildout of current certificated area is 958 customers. There are currently 500 customers. Expected additions for 70 acres of commercial property within the existing CC&N is 258 - 5/8 inch metered customers, 4 - 1 inch metered customers, and 4 - 2 inch metered customers.

EXHIBIT B

TARIFF SCHEDULE

Utility: Goodman Water Company
Docket No.: W-02500A-07
Phone No.: _____

Tariff Sheet No.: Page 1 of 3
Decision No.: _____
Effective: _____

OFF-SITE WATER FACILITIES HOOK-UP FEE

I. Purpose and Applicability

The purpose of the Off-Site Hook-Up Fees payable to Goodman Water Company ("Company") pursuant to this tariff is to equitably apportion the costs of constructing additional facilities to provide water production, storage and appropriate pressure among all new Service Connections.

These fees are applicable to all new Service Connections established after the effective date of this tariff. The fees are one-time charges and are payable as a condition to the Company's establishment of service, as more particularly provided below.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

"Applicant" means any party entering into an agreement with Company for the installation of water facilities to serve new service connections.

"Company" means Goodman Water Company.

"Main Extension Agreement" means any agreement in which an Applicant agrees to advance the costs of the installation of water facilities to the Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Commission (same as line extension agreement).

"Off-Site Facilities" means wells, storage tanks and related appurtenances necessary for proper water system operation, including engineering and design costs. Off-Site Facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper water system operation, if these facilities are not for the exclusive use of an Applicant and these facilities will benefit the entire water system.

"Service Connection" means and includes all service connections for single-family residential, commercial, industrial, or other uses, regardless of meter size.

TARIFF SCHEDULE

Utility: Goodman Water Company
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Effective: _____

III. Off-Site Hook-Up Charges

Each new Service Connection shall pay the total off-site facilities hookup fee, derived from the following table:

OFF-SITE FACILITIES HOOKUP FEE TABLE	
Meter Size	Total Fee
5/8"	\$500
3/4"	\$750
1"	\$1250
1 1/2 "	\$2500
2"	\$4000
3"	\$8000
4"	\$12,500
6" or larger	\$15,000

IV. Terms and Conditions

- (A) Assessment of One Time Hook-Up Charge: The hook-up fee may be assessed only once per Service Connection, or lot within a platted subdivision (similar to meter and service line installation charges). However, this provision does not exempt from the hook-up fee, any newly created parcel(s) which are the result of further subdivision of a lot or land parcel and which do not have a Service Connection.
- (B) Use of Off-Site Hook-Up Fee: Hook-Up Fees may only be used to pay for the capital items of Off-Site Facilities or for repayment of loans obtained for installation of Off-Site Facilities. Off-Site Hook-Up Fees shall not be used for repairs, maintenance, plant replacements, or operational purposes.
- (C) Time of Payment:
- (1) In the event that an Applicant is required to enter into a Main Extension Agreement, whereby the Applicant agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements in order to extend service in accordance with R-14-2-406(B), payment of the fee(s) required hereunder shall be made by the Applicant within 15 calendar days after receipt of notification from the Company that the Utilities Division of the Commission has approved the Main Extension Agreement in accordance with R14-2-406(M).

TARIFF SCHEDULE

Utility: Goodman Water Company
Docket No.: W-02500A-07
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- (2) In the event that an Applicant is not required to enter into a Main Extension Agreement, the fee(s) hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.
- (D) Failure to Pay Charges; Delinquent Payments: Under no circumstances will the Company set a meter or otherwise allow service to be established if the Applicant has not paid in full all charges as provided by this Off-Site Hook-Up Fee Tariff.
- (E) Off-Site Hook-Up Fee Non-refundable: The amounts collected by the Company pursuant to the Off-Site Hook-Up Fee Tariff shall be non-refundable contributions in aid of construction.
- (F) Use of Charges Received: All funds collected by the Company as off-site hook-up fees, shall be deposited into a separate interest bearing trust account and used solely for the purposes of paying for the costs of Off-Site Facilities, including repayment of loans obtained for the installation of Off-Site Facilities that will benefit the entire water system.
- (G) Off-Site Hook-Up Fees In Addition to Other Charges: The Off-Site Hook-Up Fees shall be in addition to any costs associated with a Main Extension Agreement for on-site facilities, and are in addition to the amounts to be advanced pursuant to charges authorized under other sections of this tariff.
- (H) Disposition of Excess Funds: After all necessary and desirable Off-Site Facilities are constructed utilizing funds collected pursuant to the Off-Site Hook-Up Fee Tariff or the Off-Site Hook-Up Fee Tariff has been terminated by order of the Commission, any funds remaining in the trust shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.
- (I) Fire Flow Requirements: In the event an Applicant for service has fire flow requirements that require the construction or installation of additional facilities whose costs are beyond the scope of those facilities costs provided for in the Company's current fees and charges, the Company may require the Applicant to install (as a non-refundable contribution) such additional facilities as are required to meet those fire flow requirements, in addition to the Off-Site Hook-Up Fee.